

NIMRI

CONSUMER REBATE OFFERS

From the viewpoint of

- * The retailer**
- * The manufacturer**
- * The consumer**

by
NATIONAL MASS RETAILING INSTITUTE

with sponsorship and assistance from
DuPont Company Consumer Products



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President

10TH NMRI/DUPONT STUDY

CONSUMER REBATE OFFERS

From the viewpoint of

- * The retailer
- * The manufacturer
- * The consumer

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NATIONAL MASS RETAILING INSTITUTE

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INTRODUCTION

This is the 10th in a series of studies on the discount industry produced by NMRI with the assistance and sponsorship of E. I. Du Pont de Nemours & Co., Inc., Consumer Products.

This year's study focuses on consumer rebate offers. As you are well aware, consumer rebates are becoming an increasingly popular promotional strategy for many manufacturers. The increased usage of rebate offers has also created additional burdens on you the retailers. Many pros and cons have surfaced among both manufacturers and retailers regarding this form of consumer promotion.

It was with this in mind that we asked that this year's NMRI/DuPont study be devoted to consumer rebate programs. The study was directed at the three groups affected by rebates: the manufacturer, the retailer, and most importantly, the consumer. The manufacturer and retailer segments of the study bring into focus the real problems that do exist with rebate programs.

The consumer segment of the study suggests that inspite of the problems, consumer rebate programs may be particularly beneficial to our industry. For example, 74% of our customers purchase products which offer rebates; 77% of those who buy rebated products say they like rebates; and 54% said their last rebated purchase was made in a discount department store. Eighty-one percent said they planned to make the rebated purchase prior to going to the store, and 54% of these people said buying the rebated item was the most important reason for their trip to the store. In addition, 64% of these people bought other items while they were in the store that day.

Based upon what our customers are saying, consumer rebate programs would appear to be working in our favor. In view of this, I urge both the retail and associate members to work together in an attempt to make these promotions work as smoothly and successfully as possible, to the benefit of the manufacturers, the retailers, and the consumers.

NMRI is again deeply indebted to E. I. Du Pont de Nemours for its sponsorship of this program. Ralph Head & Affiliates, Ltd. conducted the study and has maintained the same high standards achieved in the nine previous studies they have done for us.

Richard I Hersh, President
National Mass Retailing Institute

FOREWORD

The study of rebates presented here was accomplished through the use of three different surveys directed at three groups of people affected by rebates. They are:

Mass Merchandising Retailer

Manufacturer

Consumer

RETAILER SURVEY

This survey was conducted through the use of a mail questionnaire. Questionnaires were sent to 185 NMRI Retail Members. The completed questionnaires were returned directly to Ralph Head & Affiliates. When the survey was closed for tabulation, 33 of the questionnaires were returned completed. Subsequently, additional questionnaires were received, resulting in a return of 25%.

MANUFACTURER SURVEY

This survey was conducted through the use of a mail questionnaire sent to 250 NMRI Associate Members. The completed questionnaires were returned directly to Ralph Head & Affiliates. When the survey was closed for tabulation 75 of the questionnaires had been returned completed. Subsequently, additional questionnaires were received resulting in a return of 36%.

CONSUMER SURVEY

This survey was conducted through in-person interviews with customers shopping at eleven different mass merchandising outlets in cities and towns throughout the United States. Areas represented were the northeast, southeast, north central, midwest, southwest, and west. A total of 1,129 customers were interviewed during the beginning of December, 1982.

James C. Head
President
Ralph Head & Affiliates, Ltd.

MANAGEMENT SUMMARY

The following summarizes the highlights of the 1983 Mass Merchandiser Rebate Study. The page numbers to the right of each highlight indicate where the complete details will be found.

RETAIL SURVEY

LEAD TIME/NOTIFICATION

42% of the retail members report that manufacturers do not give them sufficient lead time prior to the start of a rebate program.

69% of these respondents felt that they needed a minimum 3 to 6 months lead time.

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39% said that manufacturers were not using the best way of notifying them of upcoming rebate events.

Most of these people said they needed more information earlier, and that they would like to be informed officially by the sales representative and the factory.

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ADVERTISING

91% of the retail members report that they usually include rebated items in their regular advertising.

97% say they feature rebates in their point-of-sale advertising.

49% say that point-of-sale materials presently being offered by manufacturers are inadequate to meet their in-store needs.

Complaints centered around lack of sufficient materials, especially coupons, and lack of continuity of POS materials provided by different vendors.

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PLACEMENT OF REBATE COUPONS

31% place rebate coupons only at a special rebate center or board.

18% place them only with merchandise.

15% keep them only at the service desk.

30% place rebate coupons in more than one location.

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SIGNING AND PRESENTATION OF REBATE COUPONS

64% report that they have encountered problems in the signing and presentation of rebate coupons.

40% reported maintenance problems usually related to the volume of rebates being offered.

30% reported confusion resulting from customers thinking price after rebate was the selling price, and difficulty signing complicated rebates.

25% reported problems stemming from customer vandalism.

10% complained about the variety of rebate coupon types: cards, self-stick, pads, etc.

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COUPON OUTAGES

94% report that they have experienced outages of rebate coupons.

25% say the problem has been extremely serious.

36% say very serious.

36% say somewhat serious.

29% say they have handled the problem of coupon outages by contacting the vendor for additional coupons.

19% have mailed coupons to their customers.

16% have copied the coupon, or developed a substitute.

13% have given the customer the rebate money.

10% say they have given their customers rain checks.

10% say they have begun ordering extra coupons earlier.

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CUSTOMER COMPLAINTS

82% of the retailers report that they get complaints from customers related to rebates.

89% of these members say their customers complain about the store being out of a particular rebate coupon.

Page 28

SUCCESSFUL REBATE PROGRAMS

39% of the retailers say that an important factor in a successful rebate program is that the rebate have a high value.

18% say that successful rebates have coupon affixed to the package, or do not require a register receipt.

12% say that planning plays a major role in the success of a rebate program.

Page 30

UNSUCCESSFUL REBATE PROGRAMS

12% of the retailers mentioned rebate programs which are confusing.

12% mention low value rebate programs.

9% mention multiple purchase programs.

Page 32

RETAILER PROBLEMS WITH REBATES

67% said coupon problems were one of the biggest sources of trouble with rebates.

52% said the volume of rebates required too much additional work and expense.

39% said loss of credibility with customers was a serious problem associated with rebates.

27% said not enough lead time, or insufficient planning was a problem.

Page 33

SUGGESTED SOLUTIONS TO REBATE PROBLEMS

45% suggested elimination of rebates as they now stand.

39% said coupon shortages must be solved.

24% said that more advanced and better planning was very important.

15% suggested standardizing rebate forms and practices.

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ADVANTAGES OF REBATES TO RETAILERS

64% of retailers say that rebates create additional sales, attract customers, allow promotional pricing, or increase visibility of products.

Page 37

ASSOCIATE MEMBER SURVEY

CURRENT REBATE OFFERS

44% of the associate members have had a rebate on one of their products.

79% of these members currently have a consumer rebate offer.

2 is the median number of rebate offers per member

38% of the current rebate offers are for small appliances. The values of these rebates range from \$2.00-5.00

14% of the current rebate offers are for automotive products. These rebates range from \$.25-1.00

12% of the current rebate offers are for H&BA. products. These rebate values range from \$.50-5.00

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HANDLING OF REBATES

85% of the associate members who have used rebates use an outside source to handle them.

Page 40

HOW REBATES ARE COMMUNICATED TO CONSUMERS:

54% of the associate members who have used rebates communicate rebate offers to consumers through consumer print/electronic advertising.

45% use point-of-sale advertising materials.

27% use retail co-op advertising.

24% use announcements on pack.

18% use Point-of-Sale coupon pads.

Page 41

INCOMPLETE REBATE APPLICATIONS:

9.5% was the average percent of rebates mailed in with incomplete rebate requirements.

87% of the members who have used rebates say they have handled this problem by sending a letter requesting the missing information.

20% said they send the rebate anyway.

Page 41

EXPLANATIONS OF WHY REBATES ARE SOMETIMES NEVER RECEIVED

- 42% of the members who have used rebates said that post office problems were one of the main reasons rebates are not received.
- 36% said the problem was caused by inefficient coupon processing.
- 33% said the consumer neglected to give a return address, or gave an incorrect return address.

Page 42

TIME UNTIL CHECK IS RECIEVED

- 5.3 weeks is the average time for the check to be received, as reported by associate members who have used rebates.

Page 42

CONSUMER COMPLAINTS TO MANUFACTURERS

- 1.4% is the average percent of customers who have complained to manufacturers.
- 54% of the complaints are about rebates not being received.
- 11% of the complaints are about the length of time it takes for rebates to be received.
- 11% are about proof of purchase requirements.

Page 43

REBATE FRAUD

- 39% of the associate members who have used rebates feel that rebate fraud is a problem.
- 30% of these members have made an attempt to determine what percent of redemptions are fraudulent.
- Their determinations ranged from very small percentage to 10% of redemptions fraudulent. For the most part ordinary consumers were not blamed.

Page 43

LEAD TIME

- 52% of the associate members report that they give retailers 5-12 weeks lead time.

Page 44

RETAIL BUYING INCENTIVES

67% of the associate members who have used rebates say that when they have a rebate program, they also offer retail buying incentives.

27% of these members give a buying allowance.

18% give price discounts.

18% give cents off store coupons.

87.5% is the average number of rebate programs offering co-op advertising support, according to members who have used rebates.

Page 45

RETAIL NOTIFICATION

85% say their sales reps notify retailers of upcoming rebate programs.

Page 46

PROMOTIONAL MATERIALS

56% of rebate using members say they provide retailers with ad slicks for rebate programs.

38% provide P-O-S materials.

Page 46

DETERMINATION OF NUMBER OF REBATE COUPONS PROVIDED TO STORES

14% say they provide an estimated percent of volume.

10% follow requests of buyers and/or salesmen.

10% base upon past experience.

10% go by recommendations of field people, based upon store volume.

Page 47

NEW CUSTOMERS CREATED BY REBATES

36.6% is the estimated average percent of rebate customers new to the product

Page 47

HOW EFFECTIVENESS OF REBATE PROGRAM IS MEASURED

42% base effectiveness at least partly on percent of redemption.

24% base effectiveness on increase in sales.

21% base effectiveness on trade reaction.

Page 48

AVERAGE PERCENT OF REDEMPTION

12.4% was the average redemption rate reported by members who have used rebates.

Page 49

PROGRAMS WHICH HAD HIGH REDEMPTION RATES

High rebate value, and good retail support were the two most frequently mentioned qualities.

PROGRAMS WITH LOW REDEMPTION RATES

Low dollar value of rebate was the most frequently mentioned quality.

Page 49

PROBLEMS WITH RETAILERS IN IMPLEMENTING REBATE PROGRAMS

48% report that they have had problems with retailers in implementing rebate programs.

Page 50

PLANS TO USE REBATES IN THE FUTURE

91% of those who have used rebates plan to continue to use them.

19% of those who have never used rebates plan to use them in the future.

Page 51

CUSTOMER SURVEY

USAGE OF AND ATTITUDES TOWARD MANUFACTURER'S REBATES

74% of the consumers interviewed purchase products which offer manufacturer's rebates.

47% of those who don't buy rebated items say they can't be bothered, or that it is too much trouble.

39% say they don't need the products.

5% prefer lower prices.

3% feel the price is higher with the rebate.

Page 53

46% of those who don't buy rebated products anticipate they may purchase such products in the future.

37% of these people said they would purchase a rebated product if a need developed for the item.

34% said they might purchase a rebated item to save money.

21% said they would make such a purchase if it were worthwhile.

Page 54

77% of the store customers who buy rebated products say they like rebates.

79% of these people say they like saving money, or getting money back, or extra money.

17% say they like rebates because they lower the cost of the product.

Page 54

REBATE PURCHASE PATTERNS

8.2 is the average number of rebated products purchased over the past 12 months by those store customers who purchase rebated items.

99 was the highest number of such purchases.

0 was the lowest number of such purchases.

Page 55

24% of the rebate purchasers reported making such a purchase during the past week.

11% during the past two weeks.

21% during the past month.

14% during the past two months.

10% during the past three months.

Page 55

40% said that their last rebate purchase was a small appliance.

11% mentioned automotive products.

10% said hardware/tools/paint/building materials.

9% said HBA/toiletries.

8% said food/beverage.

6% toys

5% cameras

5% clothing

4% electronic toys

1% major appliances

1% other items.

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46% of the respondents who do not like rebates said they prefer lower prices.

24% feel that rebates are a pain, or not worth it.

8% said that it takes too long to get the money.

7% don't like to mail in for the rebates.

Page 55

89% of the rebate buyers feel that the quality of a rebated product is the same as the quality of products without rebates.

9% feel that the rebated product is of higher quality.

1% said that the rebated product is of lower quality.

Page 61

60% of the rebate buyers said that newspaper advertising would be the most convenient way for them to learn of a rebate offer.

20% said they would prefer to see the offer on the product or product display.

10% said store flyer or insert.

10% said a T.V. commercial.

2% said a magazine ad.

Page 63

96% of the rebate buyers do not subscribe to a rebate/coupon magazine, or belong to a coupon exchange club.

Page 63

93% of the customers who buy rebated items said they are more likely to make such a purchase if the item is also on sale.

Page 60

\$25.28 was the average price of the customers' most recently purchased rebate item, before deducting the value of the rebate.
\$1,200 was the high.

.25 was the low.

Page 56

\$4.59 was the average value of the rebate offer.

\$100 was the high.

.25 was the low.

Page 56

70% of the customers who made a rebate purchase say they have mailed in for the rebate.

Page 56

54% of the customers who make rebate purchases said that their last such purchase was made in a discount store.

11% mentioned a department store.

10% said a supermarket.

9% said a drug store.

8% said a specialty store.

Page 57

33% of the respondents said they had learned of their last rebate purchase through a newspaper ad.

25% mentioned an in-store sign or display.

23% said they saw the offer on the package.

10% mentioned a store flyer or bag stuffer.

Page 57

81% of the rebate buyers had planned to make the purchase prior to going into the store.

54% of these people said that the purchase of the rebated item was the most important reason for their trip to the store.

64% of these people made other purchases while in the store that day.

Page 57

40% of rebate buyers say they have made an unplanned purchase of a rebated item.

54% of these customers say they made the purchase because they saw the rebate.

25% of these customers said a small appliance was the item they purchased under such circumstances.

15% said HBA/Toiletries

15% said cameras

14% said food/beverages

7% said automotive products

5% said toys

6% said hardware/tools/paint/building materials

4% said clothing

1% said electronic toys

1% said major appliances

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\$16.63 was the average price of the unplanned item, bought because of the rebate.

\$299 was the high.

.89 was the low.

Page 59

\$3.95 was the average value of the rebate offer for the unplanned purchases, bought because of the rebate.

\$100 was the high.

.20 was the low.

Page 59

35% of the respondents who buy rebated products said that in their most recent rebate purchase, the rebate offer was the only reason, or a very important reason for their decision to buy.

32% said the rebate offer was somewhat important-- one of several factors.

18% said that it was of little importance.

15% said that it was not important at all.

Page 59

60% of the rebate purchasers say they always mail away for the rebate.

40% say that they sometimes or never mail for the rebate.

40% of those who sometimes or never mail away say they forget about it.

34% feel that it is not worth the effort.

15% lose or don't have all the requirements.

4% say they are just lazy.

Page 59

72% of rebate buyers say they have tried a product that they had never used before because they saw a rebate for it.

24% said that they had made such a purchase of an item in the HBA/Toiletries category.

22% mentioned food/beverages/household cleaners.

21% said small appliances.

14% said cameras or sporting goods.

5% said automotive products.

4% said hardware/tools/paint/building materials.

3% said clothing.

2% said toys.

1% said electronic toys.

Page 61

\$15.22 was the average price of the purchase prior to deducting the value of the rebate.

\$299 was the high.

.25 was the low.

\$3.90 was the average value of the rebate.

\$100 was the high.

.25 was the low.

Page 61

REBATE PROBLEMS

13% of the rebate users said they have had problems.

60% of those with problems say they never received the rebate.

11% said that it took too long to get the rebate.

13% couldn't meet the requirements.

5% said that the store was out of rebate coupons.

4% had more than one rebate item on the register receipt.

Page 62

28% of the rebate buyers said that if a store was out of rebate coupons, they would buy the item anyway, and forget about the rebate.

24% would go to another store to make the purchase.

20% would not buy until the store gets the coupons.

12% would not buy at all.

8% would buy and write the manufacturer for the coupon.

6% would get a rain check for the coupon.

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USAGE OF AND ATTITUDE TOWARD MANUFACTURER'S STORE COUPONS

88% of all store customers interviewed said they use money off coupons which are redeemed at the register.

Page 63

65% of those who use coupons say they always use coupons, whenever possible, for items they normally buy.

35% say they sometimes use coupons for such purchases.

49% of those who only sometimes use coupons say they sometimes forget to take them to the store.

18% say the coupons sometimes expire before they get to use them.

16% say they don't always need the coupon item.

Page 64

22.4 was the average number of coupons reported used in the past month, by those who use coupons.

99 was the high.

1 was the low.

Page 64

15.2¢ was the average value of the least valuable coupon used during the past month.

\$1.00 was the high.

5¢ was the low.

Page 64

62% of the coupon users said they have tried a brand they have never tried before because they had a coupon for it.

Page 65

52% of the coupon users have made an unplanned purchase as a result of having a coupon.

Page 65

94% of the coupon users have never had a problem with coupons.

Almost half (40%) of the 6% who have had a problem said that expired coupons created the problem.

16% had a problem with store rules.

10% said that the expiration date was too small.

Page 65

85% of the users said they would be more likely to use a coupon if a store was offering to double or triple the value.

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DETAILS

RETAIL SURVEY

Question: Do manufacturers give you sufficient lead time prior to the start of a rebate program?

	<u>% Mentioning</u>
Yes	52%
No	42
Yes & No	6
	<u>100%</u>

IF NO, How much time would be sufficient?

	<u>% Mentioning</u>
One-two months	19%
Two-three months	12
Three months	19
Three-four months	19
Four-six months	12
Six months	19
	<u>100%</u>

Question: Are the manufacturers who are using rebate programs presently using the best way of notifying you of upcoming programs?

% Mentioning

Yes	61%
No	39
	<u>100%</u>

IF NO, What would be the best method?

% Mentioning

Would like to be notified by reps, and from the factory	15%
Informing the buyers at least three months in advance that a coupon will be available, and providing samples at that time	15
More lead time with total package	15
Sales reps	8
Direct information from manufacturer to us	8
Complexity requires multi-communicues. Once communicated is not enough!	8
We need the coupon information earlier	8
By mail or in-person to the contracting officer	8
Rebate program in full should be presented at the same time as the merchandise program is presented	8
Official letter from the manufacturer to the buyer directly, two months prior to the effective date	8
	<u>100%</u>

Question: Do you usually include rebated products in your regular advertising?

% Mentioning

Yes	91%
No	9
	<u>100%</u>

Question: Do you feature rebates in your point-of-sale advertising?

	<u>% Mentioning</u>
Yes	97%
No	3
	<u>100%</u>

Question: Are point of sale materials presently being offered by manufacturers adequate to meet your in-store needs?

	<u>% Mentioning</u>
Yes	30%
No	49
Not Applicable*	21
	<u>100%</u>

IF NO, What would you like to have provided?

	<u>% Mentioning</u>
More packs of cards (rebate coupons) for customers	19%
Need continuity between the vendors, size, location, etc.	13
Rebate coupon should be included on or inside of package	13
Signs, banners, etc.	6
More counter signs	6
Some POS materials are too large; we need smaller shelf talkers	6
More to our planning format and size	6
A minimum of four sets of materials per store, or more, depending on length of promotion	6
Larger display placards explaining rebate	6
Don't know/No answer	19
	<u>100%</u>

*Do not use manufacturers' POP materials.

Question: How are rebate coupons distributed to your stores?

% Mentioning

Manufacturer sends to main office, we	
send to stores	46%
Through distribution center, on our trucks	6
Through buying office/corporate buyer	6
Manufacturer to store	6
From rep and factory	6
Central mail department	6
Distributed to our stores through operations and distribution office	3
Advertising collects data on rebates from buyers and then maintains inventory on current coupons. Quantities are sent to stores, and more when requested	3
Direct from vendor, or from merchandise division	3
Mail	3
No answer	12
	100%

Question: Where do you place rebate coupons in your stores?

% Mentioning

	% Redeem
<u>One Location-70% in total</u>	
Special rebate center or rebate board	31%
With merchandise	18
At service desk	15
At checkout	6
<u>Two Locations-24% in total</u>	
With merchandise and at service desk	12
With merchandise and at check out	6
We attempt to secure one coupon to each product, plus we have additional coupons at central location	3
With merchandise and at rebate board	3
<u>Three Locations-6% in total</u>	
On kiosk at front of store, in department, and at customer service center	3
A sample with product, a display board at store front, pads at service desk	3
	<u>100%</u>

Question: Have you encountered problems in the signing and presentation of rebate coupons in your stores?

	<u>% Mentioning</u>
Yes	64%
No	36
	<u>100%</u>

IF YES, What were the problems?

Volume Of Rebates/Maintenance Problems- % Mentioning
(40% in total)

Too many rebated items	10%
Difficult to monitor signing for a large number of rebate offers. Also, the rebate boards must be straightened and restocked continuously	10
Requires a great deal of manpower to set up and maintain on a regular basis	5
Difficult to manage and increases our expense	5
Most rebate centers available from sign companies not large enough to stock all coupons. We had to have ours custom built--60 pockets, we planogram	5
Until recently our rebate board was too small	5

Confusion Problems-30% in total

When net price after rebate is shown, customers think rebate will be deducted at register	10%
Customers confuse price after rebate with selling price	5
Customers are unaware of unadvertised rebates since these products are not signed	5
Should have "MAIL IN" printed in large letters on coupon	5
Dollar amounts are simple to sign, but "buy two and get third free" can be complicated. All rebates should be simple--send POP and get money back	5

Destruction Problems-25% in total

Customers take too many coupons, or entire pad, especially when left in department	20
Vandalism by customers	5

No Industry Standards Problems-10% in total

Rebates come in different shapes and sizes--easel cards, self adhesive pads, pamphlets, multi-item, etc. Difficult to present	5
No industry standard--coupons come loose from card causing clutter and loss of coupons	5

Other Signing/Presentation Problems-
(15% in total)

Proper signing and displaying can be difficult	10%
Some display material too large to place on counters	<u>5</u>
	*

* Totals more than 100% due to multiple responses.

Question: Have you experienced outages of rebate coupons in your stores?

% Mentioning

Yes	94%
No	<u>6%</u>
	100%

IF YES, How serious has this problem been?

% Mentioning

Extremely Serious	25%
Very Serious	36
Somewhat Serious	36
Not Very Serious	-
Not Serious At All	<u>3</u>
	100%

Question: How have you handled this problem? (Outages of rebate coupons)

	<u>% Mentioning</u>
<u>Prevention</u>	
Main office keeps reserve stock of coupons-- sends out on monthly basis, or as need arises	13%
Order more rebate coupons than we would normally get, and order earlier from mfg. --up to five times number needed	10
Asked for better coordination in future	3
<u>When Outage Is Experienced</u>	
Contacted sales rep and/or factory for additional coupons	29%
Take customer's name and address and mail them coupon	19
Copied coupon or developed substitute	16
Gave money, then correct with manufacturer	13
Gave rain checks	10
Had customers come back	3
Forced buyer to get more	3
Worse problem is when manufacturer advises us that more quantities are not available --in this case we advise stores to sign and issue coupons until quantities run out-- then remove all POP signing. If customers complain, we provide manufacturer's address	3
Haven't handled this problem	<u>3</u> *

*Totals more than 100% due to multiple responses.

Question: Do you get complaints from customers related to rebates?

	<u>% Mentioning</u>
Yes	82%
No	12
No Answer	6
	<u>100%</u>

IF YES, What are the most common customer complaints, and how have they been handled?

% Mentioning

Complaint: Out of Coupons 89%

Handled:	Get customer's name and mail to customer	
	when they come in	29%
	Get more from rep/mfg.	25
	Provide substitute or copied	
	rebate slip	17
	Give rain checks until	
	coupons come in	9
	Handle at our own expense	8
	Complain to manufacturer	4
	Blame manufacturer	4
		<u>100%</u>

Complaint: Never got money from manufacturer 37%

Handled:	Store makes cash refund	70%
	Paid customers from home off.	20
	Refer customer to vendor, or	
	give rebate ourselves	10
		<u>100%</u>

Complaint: Takes too long for check to arrive 30%

Handled:	Advised vendors	63%
	Store gives cash refund	25
	Did nothing	12
		<u>100%</u>

Complaint: Rejected rebate request 15%

Handled:	Paid customer at store	
	level	100%

<u>Complaint: Other retailers have rebate, we don't</u>		15%
Handled: Contact vendor	100%	
<u>Complaint: Problem with original sales receipt-- two rebates on one receipt, or customer wants to keep receipt</u>		15%
Handled: Printed copies of receipt		
or provided substitute POP	50%	
Made good on rebate	25	
Have not been able to resolve	25	
	<u>100%</u>	
<u>Complaint: Out of stock on rebate merchandise</u>		11%
Handled: Increase order quantities	50%	
Rainchecks	50	
	<u>100%</u>	
<u>Complaint: Rebate expired/Customer turning in outdated rebate</u>		11%
Handled: Discuss with manufacturer	33%	
Nothing that we can do	33	
Honor rebate	33	
	<u>100%</u>	
<u>Complaint: Requirements of manufacturer difficult or impossible</u>		7%
Handled: Explain to customer	33%	
Customer adjustment at store	33	
Notify vendor who sometimes waives requirements	33	
	<u>100%</u>	
<u>Complaint: Rebate coupon expired before ad run</u>		4%
Handled: Refund customer at time of purchase	100%	
<u>Complaint: Rebate too small</u>		4%
Handled: Advised vendor	100%	
<u>Complaint: Dollar amount of rebate misstated in ad</u>		4%
Handled: Post correction in store	100%	

Complaints which have been handled through courtesy
and explanations of store personnel:

% Mentioning

Too much trouble	7%
Customer confusion over terms of rebate	4
Limit on number allowed to household	4
Customers feel mislead when rebate coupon is used as advertised price	4
Would prefer price reductions to rebates	4
Having to pull apart carton when item is intended as a gift	4
	*

*All complaints total more than 100% due to
multiple responses.

Question: Please describe any rebate programs which were
particularly successful or unsuccessful for
your stores. What was special about these programs?

Successful Rebate Programs

Retailers preferred rebate programs which had
high percent of price rebates, were well-organized,
had plenty of rebate materials, and were of short
duration. Examples of retailer comments follow:

% Mentioning

<u>High Rebate Value (Percent of retail price)</u> (39% in total)	
Texas Instruments--timely, large rebate	15%
The larger the rebate the better (% of retail price)	9
Owens Corning rebate--where merchant could really reduce price	3
Huffy Bikes--high rebate value	3
Ekco 7pc cookware--high rebate value	3
Air compressor--\$19.99 price point on \$32.99 product	3
\$5.00 or more rebate, properly advertised, short duration	3

Rebates Which Are Affixed To Package and/or
Do Not Require A Register Receipt
(18% in total)

Rebates which are affixed to package, on band around package, or included with the product	6
Rebates which do not require register receipt--simple proof of purchase included with the product	6
1981 GE Lightbulbs. 75¢ rebate was part of package	6

% Mentioning

Well-Planned Rebate Programs (12% in total)

Any offer with adequate supply of coupons,
manufacturer's requirements easy to under-
stand and comply with, our customers got
their refunds 6%

DuPont Lucite paint, and Prestone anti-freeze--
both well-planned, plenty of advance notice,
unlimited supply of rebate materials, heavily
advertised, products have tremendous appeal 3

Superior Paper Box Company--Storage boxes--
great customer demand, plenty of advance
notice, unlimited amount of rebate materials 3

Other Successful Rebates Mentioned:

Motor Oil--Valvoline \$3.60 on case of 12	3%
Motor Oil-- 30¢ and 40¢ quick in and out	
promotion, high unit sales, short time	3
General Electric	3
First Alert	3
Energizer Battery	3
Norelco	3
Intellivision	3
Pampers	3

"Our programs are successful because we
offer attractive price points while
maintaining profits." 3

NO EXAMPLE OF A SUCCESSFUL REBATE GIVEN	30%
	*

*Totals more than 100% due to multiple responses.

Unsuccessful Rebate Programs

% Mentioning

Programs Which Are Confusing (12% in total)

Mattel Intellivision--Changing horses in mid-stream	6%
Andrew Jergens--confusing point system--multiple purchase requirements	3
Programs which require too many steps to qualify	3

Low Value Rebates (12% in total)

Any rebate under \$1.00	6
Any small rebate--too low in relation to price	6

Multiple Purchase Programs (9% in total)

Multiple item purchase to a single rebate (like Wrangler denim, cords, shirt combo)	6
Tied into sweepstakes or charity, or another coupon	3

Other Unsuccessful Rebate Programs Mentioned:

Any with long expiration dates (3-12 months)	
Gillette Widget--too long an effective period	9%
Most are not very good because there are too many	6
Batteries (no coupons were available and one pack, two batteries per customer)	6
Stanley Tool rebate	3
Store check type rebates	3
Motor Oil--coupon inside 12 pack tray of oil. 12 loose cans would not qualify. Ran out of merchandise. Customers tore coupons out of tray packs.	3
Those where insufficient rebate coupons are provided	3
Rebate coupon on package--we end up with some packages with and some without	3
GC Electronics Torque Driver--very little appeal	3
When rebate is used as a last resort to market an unsuccessful product	3
NO EXAMPLE OF AN UNSUCCESSFUL REBATE GIVEN	30%
	*

*Totals more than 100% due to multiple responses.

Question: What, from your standpoint, are the three most serious problems with regard to rebate programs?

Problem:

% Mentioning

Coupon Problems

67%

Not enough coupons: 48% mentioning
 Getting sufficient forms to the stores in time
 Providing forms to legitimate customers
 Having enough forms on hand
 Availability of rebate materials
 Vendor extends rebate, but we don't have new coupons
 On package coupons no good

Volume Problems--Additional Work/Expense

52%

Too many rebates: 18% mentioning
 Tracking active rebates
 Additional work at store and buying level
 Amount of effort and time handling
 Expensive to retailers
 Signing
 Not worth the effort to set up on small dollar amounts
 Coordination of all rebate programs
 Ties up ad space

Loss Of Credibility With Customers

39%

Company does not honor--customer frustration
 Customer dislike of rebates
 Serious inconvenience to customers
 Lack of follow-up by manufacturer--customers have to wait too long for rebate
 Rebates can be misleading
 Legitimacy in advertising
 Difficult to execute, thus losing credibility between retailer and customer
 Rebates are a legal way to deceive customers
 Offering rebates soon after price increase leads program to be suspect
 Responsibility falls with retailer when customer complains
 Consumer fraud--we are accomplices

Insufficient Time/Planning

27%

Not enough prior planning
 Not enough lead time to provide for
 promotional sale pricing
 Not enough lead time: 9% mentioning
 Expiration dates
 Outdated rebate forms
 Rebate periods too short
 Rebates on packaged goods expire too soon

Proof of Purchase Problems

18%

Original register receipt: 9% mentioning
 Too many technicalities
 Requirements for redemption

Customer Destruction of Rebate Materials

12%

When coupon is part of package, customers
 damage packaging
 Preventing, controlling theft of pads, coupons,
 rebate materials from point of sale
 Administration at point of sale
 Rebate slips stolen or misplaced

Confusion Problems

9%

Confusion
 Redemption procedure not stated prominently
 and clearly

Other Problems

12%

Ridiculous offers--buy two, send in proof of
 purchase, and get coupon for third,
 or, one manufacturer who required receipt
 from a recent haircut!
 Effective dates not always planned around
 seasonality of product
 Complex offers
 Competitors advertising rebates where we were
 not notified

★

*Totals more than 100% due to multiple responses

Question: How would you recommend these problems be solved?

Solution:

% Mentioning

Elimination of Rebates As They Now Stand 45%

Eliminate rebates and reduce cost of goods (36%)
Make rebates instant (9%)

Solve Coupon Shortages 39%

Provide more coupons (15%)
Pack coupons and information in product (12%)
Rebates in the form of sleeves to slide over
or attach to product--must be removable
without product damage
Mfg. should provide four sets of materials/store
More Advance Planning 24%

Vendors plan far enough in advance to insure
well-organized rebate event, especially
when extending rebate, we need new coupons
Better communication
Reps should work more closely with buyers
Work out front 4-6 months ahead. Provide
more coupon information earlier
Don't change programs in mid-stream
More advanced planning
Official letter of notification from mfg.
Standardization of Rebate Forms and Practices 15%

Simple rebates, just dollar amounts (9%)
One uniform method from all manufacturers--
make them easier for customers to handle
Universal rebate form

Limitation on Number of Products On Rebates 9%

Reduce and control number of items on rebates

Things Retailers Can Do 9%

Handle rebates through one central location
When store is temporarily out of rebate coupons,
take customers address and mail them coupon
--coupons can't be 100% available all the time
Installation of rebate board or other fixture
near registers or customer service cuts
back on rebate material theft

Increase Customer Satisfaction

6%

Manufacturers should respond more quickly
Manufacturers should be liberal, and not
reject rebate requests due to technicality

Other Solutions to Rebate Problems:

21%

Eliminate rebate period
Reduce price on rebated merchandise if retailer
reduces resale price
Share cost of administration as with regular
coupons
Eliminate on-pack coupons
Vendor should accept "mail in" rebate
coupons inadvertantly taken by retailers
If rebates were treated as a sale price, and
regulated by law, perhaps vendors would
give them up

*

*Totals more than 100% due to multiple answers

Question: What advantages do rebate programs offer retailers?

	<u>% Mentioning</u>
Additional Sales	24%
Allows special price advertising (promotional impact)	9
Perceived value and savings to customers	9
Allows retailers to show lower prices without having to take high markdowns	9
Value to consumer	6
Attracts customers	6
If handled sensibly they are an added incentive to customers	3
Sell price reduction	3
Increased visibility of products	3
Very little in relation to additional work	3
None	27
No Answer	<u>6</u> *

*Totals more than 100% due to multiple responses

Additional Comments:

Consumers don't understand rebates as evidenced by the extremely low redemption rate.

Coupon outages are usually caused by customers taking entire pad.

We've found that people don't respond to rebates per se, but rather to our price reductions. The deeper the price cut, the better the response.

We would prefer not having rebates. They are very costly to the retailers, they are a customer rip-off. Retailers should be reimbursed a handling charge. Rebates are an additional source of income for manufacturers who play the odds correctly.

I would like to see rebates removed, except in high ticket areas--over \$100.00 retail.

Rebate programs should be scrapped, and their cost removed from the cost of the merchandise.

Big headache.

Many customers are disillusioned with rebate offers, after having had bad experiences.

Would be better if retailer were given the allowance, or if rebates were instant.

Almost all companies have rebates. It is now completely overdone. Very difficult to manage volume.

There are too many rebates.

Unfair for customer to wait 6-8 weeks for money.

Problems arise when the same manufacturer has more than one rebate offer during overlapping time periods.

Some manufacturers entice retailers to purchase rebated merchandise when it is inconvenient (i.e. during first quarter)

Consumer fraud is the biggest problem. Retailers are becoming accomplices to ripping-off the customer in a system that relies on breakage (small redemption rates) and is administered at the retailer's expense. The retailer is the focus of the customer's dissatisfaction.

Rebates do stimulate business because of reduced prices. Most are successful.

ASSOCIATE MEMBER SURVEY

Question: Have you ever had a rebate on one of your products?

	<u>% Mentioning (75)</u>
Yes	44%
No	<u>56</u> 100%

IF YES, do you currently have a consumer rebate offer on any of your products?

	<u>% Mentioning (33)</u>
Yes	79%
No	<u>21</u> 100%

IF YES, how many do you currently have?

Median number 2

Average number 4.4

High 40

Low 1

Question: What are the products and what is the dollar value of each rebate?

<u>Product Category</u>	<u># of Offers</u>	<u>Value of Rebate Offers</u>
Household cleaning products	3	.25, .50, \$1.00
Household paper products	8	.50, .80, \$1.00, \$1.19, \$1.25, \$1.50
H&BA	9	.50, \$1.00, \$1.50, \$2.00, \$5.00
Food/Beverage	1	\$1.00
Automotive products	11	.25, .40, .50, \$1.00
Hardware/Paint/Lawn & Garden	6	\$1.00, \$2.00, \$2.25, \$3.00
Small appliances	30	\$2.00, \$3.00, \$4.00, \$5.00
Film/Cameras	3	\$2.00, \$5.00, \$25.00
Clothing	1	\$2.00
Toys	4	\$1.00, \$1.50, \$3.00, \$5.00
Electronic toys/Games	2	\$3.00, \$11.00

Question: Do you handle rebates internally or use an outside service?

	<u>% Mentioning</u>
Internally	24%
Outside	85
	<u>★</u>

* Totals more than 100% due to multiple answers

Question: How do you communicate rebate offers to consumers?

<u>Method</u>	<u>% Mentioning</u>
Consumer print/Electronic advertising	54%
Point-of-sale advertising materials	45
Retail co-op advertising	27
Announcements on-pack	24
P-O-S coupon pads	18
Hang tags	6
Displays	6
Shelf talkers	3
Counter cards	3
Direct mail	<u>3</u> *

* Totals more than 100% due to multiple answers

Question: Approximately what percent of the rebate applications from consumers are mailed in with incomplete requirements?

Average 9.5%

High 90%

Low .5%

What do you do in such cases?

<u>Action</u>	<u>% Mentioning</u>
Send letter requesting missing information	87%
Send rebate anyhow	20
Depends on what is missing	<u>3</u> *

* Totals more than 100% due to multiple answers

Question: Consumers occasionally report that they never receive rebates that they mail away for. What are some possible explanations for this?

<u>Reason</u>	<u>% Mentioning</u>
Post office problems	42%
Inefficient coupon processing	36
No return or incorrect return address	33
Mailed in rebate after expiration	12
Non-compliance with requirements	12
Information incomplete	9
Consumer trying to steal	6
Mailed to wrong address	6
Lying	3
Clerical errors	3
Consumer hasn't waited long enough	3
Duplicate request	3
Poor handwriting	<u>3</u>
	*

* Totals more than 100% due to multiple answers

Question: How much time does it usually take from the time a consumer mails in for one of your rebates, until they receive the check in the mail?

Average number of weeks 5.3

High 10

Low 2

Question: Approximately what percent of the consumers who have used your rebate(s) have registered a complaint?

Average percent 1.4%

High 5%

Low .0001%

What are the nature of the complaints?

<u>Complaints</u>	<u>% Mentioning</u>
Rebate not received	54%
Elapsed time	11
Required proof of purchase	11
Didn't understand offer	8
Could not find product	4
Couldn't make multiple redemptions	4
Rebate less than expected	4
Rebate expired	4
	<u>100%</u>

Question: Do you consider rebate fraud to be a problem?

	<u>% Mentioning</u>
Yes	39%
No	61
	<u>100%</u>

Question: Has your company ever made an effort to determine what percent of rebate redemptions are fraudulent?

	<u>% Mentioning</u>
Yes	30%
No	<u>70</u>
	100%

IF YES, what was determined?

"Fraud less than 5%"

"Fullfillment house was primary problem"

"Our system prevents most fraud"

"Roughly 10%"

"Less than 2%"

"Very small percentage"

"Fraud 10%"

"2.8% duplicated"

"Groups responsible"

Question: How much lead time do you usually give retailers prior to the start of a rebate program?

<u>Time Period</u>	<u>% Mentioning</u>
1 thru 4 weeks	9%
5 thru 8 weeks	24
9 thru 12 weeks	28
13 thru 16 weeks	15
Longer	15
No answer	<u>9</u>
	100%

Question: When you have a rebate program, do you also offer retail buying incentives?

	<u>% Mentioning</u>
Yes	67%
No	30
No answer	<u>3</u>
	100%

IF YES, what is usually the nature of the incentive?

Consumer Directed

Cents off store coupon	18%
Consumer premium offer	5
Consumer sweepstakes	5

Retailer Directed

Buying allowance	27%
Price discounts	18
Co-op advertising	18
Incentive pricing	14
One free with 11	5
Early buy bill back off invoice	<u>5</u>
	*

* Totals more than 100% due to multiple answers

Question: What percent of your rebate programs offer co-op advertising support?

Average	87.5%
High	100%
Low	0

Question: How are retailers notified of an upcoming rebate program?

<u>Method</u>	<u>% Mentioning</u>
By sales representatives	85%
By mail	61
Trade advertising	21
By distributors/wholesalers	<u>6</u> *

Question: What promotional materials do you usually provide the retailers for specific rebate programs?

<u>Materials</u>	<u>% Mentioning</u>
Ad slicks	56%
Point-of-sale materials	38
Tear off pads	25
Stack cards	19
Hang tags	19
Shelf talkers	13
Catalogs	13
Product/package stickers	6
Window streamers	6
Displays	6
Examples of other ads	6
Direct ad support	3
Envelope stuffers	3
Banners	<u>3</u> *

*Totals more than 100% due to multiple answers

Question: How do you determine the number of rebate coupons to provide for each store?

<u>Method</u>	<u>% Mentioning</u>
Estimated % of volume	14%
Request of buyer and/or salesman	10
Based upon past experience	10
Field sales recommends by store volume	10
Prepacked with product	7
Stickered on product at factory	7
To match average shelf stock	7
2 to 4 times merchandise displayed	3
Rate of previous sale	3
Flat number per store	3
Wholesaler recommends	3
Coupons not to exceed unit purchases	3
150% times average store inventory	3
Arbitrary	3
Not applicable	7
No answer	7
	<u>100%</u>

Question: What percent of your rebate redeemers would you say are new customers to the product?

Average percent new customer 36.6%

High 100%

Low 3%

33% of the respondents could not or would not answer this question.

Question: How do you measure the effectiveness of a rebate program?

<u>Method</u>	<u>% Mentioning</u>
Percent of redemption	42%
Increase in sales	24
Trade reaction	21
Overall product movement comparisons	6
Improvement in sell through	3
% of redemptions related to change in factory shipment following offer	3
ROI	3
% of response to circulation	3
Additional distribution of product	3
% sell into trade	3
Sell through vs redemption rate	3
Redemption rate plus Nielson store dist.	3
Sales vs forecast plus redemption rate	3
Sales of rebated products/co-op ad cost/ new market representation/consumer barometer study/sales force feed-back	3
Wider distribution	3
Sales volume and gross profit	3
Sales return vs cost	3
	<u>3</u> *

* Totals more than 100% due to multiple answers

12% did not answer this question

Question: For the rebated products that you have been involved with over the past two years, what has been the average percent of redemption (of estimated number of items sold)?

Average redemption rate 12.4%

High 40%

Low 1%

33% of the respondents did not answer this question

Question: Have there been any programs which have had an unusually high or low rate of redemption? What was special about these programs?

HIGH REDEMPTION PROGRAMS

"Tie-in with \$99 airline fare"

"Product has strong brand awareness"

"Good retail support" Mentioned by three respondents

"On package rebate offer"

"High rebate value" Mentioned by nine respondents

"Repetition of similar programs increases redemption"

"Rebate exceeded cost of product"

LOW REDEMPTION PROGRAMS

"Low dollar value of rebate" Mentioned by three
respondents

"Poor distribution of product"

"Retail out-of-stock"

"Multi purchase proofs"

"Poor retail support"

Question: Have you ever had problems with retailers in implementing rebate programs?

	<u>% Mentioning</u>
Yes	43%
No	45
Yes & No	3
No answer	9
	<u>100%</u>

IF YES, what are the problems and what can be done about them?

<u>Problem</u>	<u>Solution</u>
Requests for stickers for shelf stock.	Nothing
Requests for return of unstickered warehouse stock.	Nothing
The bother to retailers	Get off of rebates (everyone)
Many retailers fail to police display	NA
Communication & implementation of program at retail level through wholesalers or parent HQ are primary concern	NA
Nationally advertised rebates will not fit needs of all retailers for timing and product offerings	NA
Number of coupons needed	Offer unlimited coupons. Provide coupons in media only. Deliver on package and promise coupons for inventory.
Retail people throw out collateral materials	Chain personnel education
Coupon rip offs	Use information center or checkouts

<u>Problem</u>	<u>Solution</u>
How to administer redemption process	Uniform practices and processes
Retailers fail to get material up in stores and maintain them	Good advance planning & follow-up by vendor

Question: Do you plan to use rebate programs in the future?

	<u>Have Used Rebates</u>	<u>Have Not Used Rebates</u>
Yes	91%	19%
No	6	76
Considering	-	5
No answer	3	-
	<u>100%</u>	<u>100%</u>

RESPONDENT PRODUCTS

<u>Have Used Rebates</u>	<u>%</u>	<u>Have Not Used Rebates</u>	<u>%</u>
HBA	18%	Clothing	17%
Automotive Products	15	Housewares	17
Household Chemicals	9	HBA	12
Clothing	6	Greeting Cards	9
Video Games	6	Home Furnishings	7
Cameras	6	Confections	5
Appliances	6	Picture Frames	5
Soft Drinks/Mixers	6	Stationery	5
Paint	3	Hardware	5
Toys	3	Household Chemicals	5
Wraps	3	Toys	2
Household Paper Prods.	3	Paper Products	2
Plumbing Parts	3	Records/Tapes	2
Batteries	3	Watches	2
Lawn & Garden	3	Costume Jewelry	2
Stationery/Back to sch	3	Domestics	2
Cutlery & Scissors	3	Energy Products	2
Home security/smoke			<u>*</u>
alarms	3		
Flash Lights/Security			
Products	<u>3</u>		
	*		

*Totals more than 100% due to multiple product lines

ADDITIONAL COMMENTS:

"If we don't have rebates and a competitor has one, retailers will advertise the competitors product instead of ours."

The person who comes up with a way to get off rebates and still maintain sales and profits will be a hero. Everyone's looking for a way to stop them. We have tried various other offers instead of cash rebates and all have failed to gain retailer and consumer interest and support.

CUSTOMER SURVEY

Question: Do you ever buy products which offer rebates?

	<u>% Mentioning</u>
Yes	74%
No	26
	<u>100%</u>

IF NO, Why not?

	<u>% Mentioning</u>
Can't be bothered/Too much trouble	47%
Don't need products/No opportunity	39
Prefer lower prices	5
Feel price is higher with rebate	3
Don't like to mail in	1
Never receive the rebate	1
It is a gimmick	1
Not enough savings	1
Don't like them	.3
Expires too fast	.3
Lose the requirements	.3
Don't Know	4
	<u>*</u>

*Totals more than 100% due to multiple responses.

Question: (Asked of those who said they do not buy products which offer rebates.) Do you anticipate that you may buy a rebated product in the future?

% Responding

Yes	46%
No	50
Don't Know	4
	<u>100%</u>

IF YES, Why?

% Mentioning

If I need the item	37%
To save money	34
If it is worthwhile	21
May want something	5
If I remember to do it	3
	<u>100%</u>

Question: (Asked of those who said they buy products which offer rebates.) Do you like rebates?

% Responding

Yes	77%
No	23
	<u>100%</u>

IF YES, Why?

% Mentioning

To save money	43%
Like getting money back	34
Lowers cost of product	17
Like extra money	2
Incentive to buy	1
Like paying less	1
Need the money	1
It is a hobby	.3
Don't Know	1
	<u>*</u>

*Totals more than 100% due to multiple responses.

IF NO, why not?

	<u>% Mentioning</u>
Prefer lower prices	46%
Not worth it/ it is a pain	24
Takes too long to get money	8
Don't like to mail in	7
Don't like sending sales slip	4
Don't get money back	4
Too many questions/requirements	3
Can't find coupons in store	2
Forget them	2
They are a gyp-people don't send in	2
They raise the price	1
	<u>*</u>

* Totals more than 100% due to multiple answers

Question: How many rebated products would you say you have purchased in the past 12 months?

Average 8.2

High 99
Low 0

Question: When did you last buy a product which had a rebate?

	<u>% Mentioning</u>
During the past week	24%
During the past 2 weeks	11
During the past month	21
During the past 2 months	14
During the past 3 months	10
During the past 6 months	11
Longer	8
Don't recall	1
	<u>100%</u>

Question: What was the product?

<u>Product Category</u>	<u>% Mentioning</u>
Small appliances	40%
Automotive products	11
Hardware/Tools/Paint/Bldg. Mat.	10
H&BA/Toiletries	9
Food/Beverage	8
Toys	6
Cameras	5
Clothing	5
Electronic toys	4
Major appliances	1
Other	1
	<u>100%</u>

Question: What was the approximate price per item (before the rebate)?

Average \$25.28

High \$1200.00

Low .25

Question: What was the dollar value of the rebate per item?

Average \$4.59

High \$100.00

Low .25

Question: Have you mailed in for the rebate?

	<u>% Mentioning</u>
Yes	70%
No	30
	<u>100%</u>

Question: In what type of store was it purchased?

<u>Type Of Store</u>	<u>% Mentioning</u>
Discount Department Store	54%
Department store	11
Supermarket	10
Drug store	9
Speciality store	8
Speciality discount store	3
Home Improvement Center	2
Catalog store	2
Other	1
	<u>100%</u>

Question: How had you learned of the rebate?

Newspaper ad	33%
Sign or display in-store	25
On package	23
Store flyer/bag stuffer	10
Magazine ad	3
Word of mouth	3
TV commerical	2
Service/courtesy desk in store	1
Rebate/coupon club publication	.2
Radio	.1
Other	1
	<u>★</u>

* Totals more than 100% due to multiple answers

Question: Had you planned on buying the item before you went into the store?

	<u>% Mentioning</u>
Yes	81%
No	19
	<u>100%</u>

NOTE: When respondents saying they had not planned on buying the item here are combined with those reporting unplanned rebate purchases on page 58, the total percent making unplanned purchases of rebate items is 40%. Those on page 58 reported making the unplanned purchase specifically because of the rebate, and they total 54% of the group making unplanned rebate purchases.

IF YES, think back to the day you bought that rebated item. Was the purchase of the rebated item the most important reason for your trip to that particular store?

	<u>% Mentioning</u>
Yes	54%
No	46
	<u>100%</u>

IF YES, did you make other purchases while you were in the store?

	<u>% Mentioning</u>
Yes	64%
No	36
	<u>100%</u>

Question: Have you ever bought something that you hadn't planned on buying because you saw a rebate for it?

	<u>% Mentioning</u>
Yes	27%
No	73
	<u>100%</u>

IF YES, what was the item?

<u>Product Category</u>	<u>% Mentioning</u>
Small appliances	25%
H&BA/Toiletries	15
Cameras	15
Food/Beverages	14
Automotive products	7
Toys	5
Hardware/Tools/Paint/Bldg. Mat.	6
Clothing	4
Electronic toys	1
Major appliances	1
Other	3
Don't recall	4
	<u>100%</u>

Question: What was its approximate price per item (before the rebate)?

Average \$16.63

High \$299.00

Low .89

Question: What was the value of the rebate per item?

Average \$3.95

High \$100.00

Low .20

Question: The last time that you bought a product with a rebate, how much of an influence would you say the rebate had on your purchase?

<u>Influence</u>	<u>% Mentioning</u>
It was the only reason I made the purchase	12%
It was very important in my decision to buy	23
It was somewhat important-one of several factors	32
It was of little importance	18
It was not important at all	15
	<u>100%</u>

Question: When you buy a product with a rebate, do you always, sometimes or never mail away for the rebate?

	<u>% Mentioning</u>
Always	60%
Sometimes	33
Never	7
	<u>100%</u>

IF SOMETIMES OR NEVER, why don't you always mail away for the rebate?

<u>Reason</u>	<u>% Mentioning</u>
I forget about it	40%
Feel it is not worth the effort	34
Lose or don't have some of the requirements	15
Just lazy	4
Inconvenience of mailing	3
Don't like sending receipt	2
Give requirements to club	1
Don't have form	1
Forms not available	1
Only get one per family	<u>.3</u>
	*

* Totals more than 100% due to multiple answers

Question: Would you be more likely to buy a rebated product if it were on sale as well?

	<u>% Mentioning</u>
Yes	93%
No	<u>7</u>
	100%

Question: Have you ever tried a product that you had never used before because you saw a rebate for it?

	<u>% Mentioning</u>
Yes	28%
No	<u>72</u>
	100%

IF YES, what was the product?

<u>Product Category</u>	<u>% Mentioning</u>
H&BA/Toiletries	24%
Food/Beverages/Household Chemicals	22
Small appliances	21
Cameras/Sporting goods	14
Automotive products	5
Hardware/Tools/Paint/Bldg. Mat.	4
Clothing	3
Toys	2
Electronic toys	1
Don't recall	4
	<u>100%</u>

Question: What was the approximate price per item (before the rebate)?

Average	\$15.22
High	\$299.00
Low	.25

Question: What was the dollar value of the rebate per item?

Average	\$3.90
High	\$100.00
Low	.25

Question: In general, how do you feel about the quality of rebated items in comparison to items which don't have rebates?

	<u>% Mentioning</u>
Quality is the same	89%
Rebate item has higher quality	9
Rebate item has lower quality	1
Don't know	1
	<u>100%</u>

Question: Have you ever had problems with rebates?

	<u>% Mentioning</u>
Yes	13%
No	87
	<u>100%</u>

IF YES, what type of problems?

<u>Problem</u>	<u>% Mentioning</u>
Never receive rebate	60%
Length of time to get money	11
Couldn't meet requirements	13
Store out of coupons	5
More than one rebate item on receipt	4
Expiration date	3
Only one per household	2
Hassle in cashing check	2
Forget to send in	1
Sent less than promised	1
	<u>*</u>

* Totals more than 100% due to multiple answers

Question: What would you do if the store ran out of rebate coupons on an item you planned to buy?

	<u>% Mentioning</u>
Buy the item anyway and forget about the rebate	28%
Go to another store to buy item	24
Not buy until store gets coupon	20
Not buy at all	11
Buy item and write manufacturer for coupon	8
Get rain check for coupon	6
Other	2
	<u>100%</u>

Question: How would it be most convenient for you to find out about rebates?

<u>Method</u>	<u>% Mentioning</u>
Newspaper ad	60%
Display with or on product	20
Store flyer/Insert	10
TV commerical	10
Magazines	2
Service/Courtsey desk	2
Rebate/Coupon club	2
Mail	2
In-store	1
Word of mouth	1
Radio	1
	<u>1</u>
	*

* Totals more than 100% due to multiple answers

Question: Do you subscribe to a rebate/coupon magazine or newsletter, or belong to a coupon exchange club?

	<u>% Mentioning</u>
Yes	4%
No	96
	<u>100%</u>

Question: Do you ever use store coupons?

	<u>% Mentioning</u>
Yes	88%
No	12
	<u>100%</u>

Question: If you see a coupon for something that you normally buy, do you always or only sometimes use it?

	<u>% Mentioning</u>
Always	65%
Sometimes	<u>35</u>
	100%

IF SOMETIMES, why don't you always make sure to use it?

<u>Reason</u>	<u>% Mentioning</u>
Forget to take coupon to store	49%
Forget and they expire	18
Don't need the item	16
Inconvient	8
Other products may still be cheaper	5
Lazy	2
Not good value	1
Store out-of-stock	<u>1</u>
	100%

Question: How many coupons would you estimate you have redeemed in the past month?

Average 22.4

High 99
Low 1

Question: What was the least valuable one worth?

Average 15.2¢

High \$1.00
Low 5¢

Question: Have you ever tried a brand that you had never tried before because you had a coupon for it?

	<u>% Mentioning</u>
Yes	62%
No	<u>38</u>
	100%

Question: Have you ever bought something that you hadn't planned on buying because you had a coupon for it?

	<u>% Mentioning</u>
Yes	52%
No	<u>48</u>
	100%

Question: Have you ever experienced any problems with coupons?

	<u>% Mentioning</u>
Yes	6%
No	<u>94</u>
	100%

IF YES, what type of problems?

	<u>% Mentioning</u>
Expired coupons	40%
Store rules	16
Expiration date too small	10
Store out-of-stock	8
Store won't accept	5
Store won't double	5
Have to buy too much product	5
Store won't take multiples	3
of same coupon	3
Too time consuming	3
Don't recall	<u>10</u>
	*

*Totals more than 100% due to multiple responses.

Question: Are you more likely to use a coupon if a store is currently offering to double or triple the value?

	<u>% Mentioning</u>
Yes	85%
No	15
	<u>100%</u>

CUSTOMER DEMOGRAPHICS

Respondent Occupation

Homemaker	33%
White collar	32
Blue collar	21
Retired	8
Executive/Professional	3
Student	2
Unemployed	1
	<u>100%</u>

Respondent Education

8th grade or less	2%
9th grade	1
10th grade	3
11th grade	4
High school graduate	41
Some college	24
College graduate	17
Post graduate studies	8
	<u>100%</u>

Marital Status

Married	70%
Single	15
Divorced	8
Widowed	6
Separated	1
	<u>100%</u>

Children Under 18 Years Old At Home

None	54%
One	18
Two	17
Three	9
Four	1
Five or more	1
	<u>100%</u>

Respondent Age Group

18 to 24	13%
25 to 34	28
35 to 44	22
45 to 54	15
55 to 64	13
65 and over	8
No answer	1
	<u>100%</u>

Family Income Group

Under \$8,000	7%
\$8,000 to \$9,999	5
\$10,000 to \$14,999	11
\$15,000 to \$19,999	13
\$20,000 to \$24,999	14
\$25,000 to \$30,000	13
Over \$30,000	25
No answer	12
	<u>100%</u>

Respondent Sex

Female	75%
Male	25
	<u>100%</u>